

## Weekly Newsletter

### News

#### **'Spy Case' classified top secret until 2040**

The spy case's (the inquiry against Szilvásy, a former minister responsible for the supervision of the secret services and against two former secret service heads) classification has been cut back by 50 years. The military prosecutor informed Szilvásy's defense attorney that the spy case's classification would end in 2040 instead of 2089 as it was told before. Péter Sebes, Szilvásy's defense attorney said some parts of the case should not be confidential at all. Sebes is going to request the publication of Szilvásy's interrogation report. This report contains not only Szilvásy's statement but it would inform the public about the core matter of the spy case. It is still unknown what Szilvásy told during his interrogation as it is classified. According to Sebes, Szilvásy answered all the questions. The Parliamentary Commissioner for data protection and freedom of information can launch a review of the resolutions on classification, while the court is able to change the documents' classification status.

Szilvásy has been set free subject to the Capital Court military committee's decision in the first instance. Also accused of spying, Lajos Galambos, former head of NBH (National Security Office) was sentenced for home arrest, which was then aggravated for custody. Accused of conspiracy in crime, Sándor Laborc, another former head of NBH was not arrested either in the first or the second instances.

#### **LMP's strange idea to replace Orbán's government**

Gergely Karácsony, member of LMP (*Politics Can Be Different – center green party*) suggests a complete “technical” collaboration among opposition parties in order to replace the current government. According to Karácsony, they should enter into an occasional coalition with MSZP and Jobbik (*Movement for a Better Hungary – extreme right party*) in order to beat Fidesz and to change laws that require the approval of two thirds of MPs and will tie the hands of future governments. Attila Mesterházy, chairman of MSZP called the LMP's idea frivolous. In a blog post, former PM Ferenc Gyurcsány ruled out any possible co-operation with Jobbik.

#### **Court acquits Hungarian Nazi war criminal suspect Sándor Képiró**

A Budapest court cleared on Monday Sándor Képiró of war crimes charges related to involvement in the massacre of more than 1000 civilians in Serbia during World War Two. Képiró served as a gendarme during the war, when parts of Serbia were occupied by troops from Hungary, then allied with Nazi Germany.

The heavily-watched trial, which opened in early May, focused on Képiró's role as a captain in Hungary's gendarmerie, which staged raids in conducted summary executions in what is now northern Serbia. A cheer erupted in the court rooms after the verdict was read. Kepiro's daughter was moved to tears.

In its justification, the court said there was no evidence that Képiró, serving as a gendarmerie captain in Novi Sad during the war, was aware that the Jews he had been instructed to detain would later be killed. It has not been proven either that the uniformed men who were seen shooting people dead in January 1942 were gendarmeries or border guards, wearing similar uniforms, therefore they may not have belonged to Képiró's unit. In defence of Képiró, the judge, Béla Varga, also referred to his saving the lives of a local Jewish hotel owner and his family. Concerning a 1944 ruling, in which

Képiró and others were convicted, the judge said that the verdict had sought collective guilt and disregarded individual responsibilities, and cannot be taken as evidence against the suspect.

Képiró, who had been brought to the trial from hospital in a wheelchair, pleaded innocent and denied all charges. "I have never killed people, never plundered, I served my country," he whispered to his companion.

Serbian chief prosecutor Vladimir Vukcevic told reporters that he is not satisfied. „I expected that he would be pronounced guilty and sentenced. I expected that the Hungarian court would put an end to ugly times. I thought it would come to the fulfillment of justice, though it did not happen. I was shocked at the behavior in the court and the fact that the verdict was greeted with applause. It was a nauseating scene. I think even Képiro was surprised at the verdict."

"This is an outrageous verdict and an insult to the victims of the Novi Sad massacre," said Dr. Ephraim Zuroff, the Simon Wiesenthal Center's chief Nazi-hunter who exposed Képiró's presence in Budapest in 2006. "It is totally incomprehensible given the evidence against Képiró, our knowledge of the incident, and of his role in the events of the massacre." Zuroff said Monday's verdict was "a sad day for Hungarian society. A judicial decision which brings joy to the ultra nationalists of Hungary and pain to the victims of fascist crimes is inherently flawed, and the [Simon Wiesenthal] Center will do whatever it can to help to change it as quickly as possible."

The court's decision is non-binding and can be appealed.

### **Hungary's Lazar Says Government to Keep Some Form of Special Tax**

Hungary may retain some form of special taxation on energy, financial, telecommunication and retail companies after the current levies expire, said Janos Lazar, head of the ruling Fidesz party's parliamentary group. Lazar, who also discussed a new central bank law and the role of state-owned MVM Zrt. and Mol Nyrt. in the energy industry, spoke in an interview in Budapest. On the special industry taxes, which were imposed last year and expire at the end of 2012: "The extraordinary tax in this form will be discontinued, but the tax burden can't end there. It does mean a reduction in the tax burden compared with the current extraordinary tax. "The affected industries will continue to have a tax burden, but this shouldn't exceed the European level. Tesco will have to proportionally pay as much tax as in other European countries or let's say in the U.K. "The industry tax is a temporary measure, but politically our aim is that in the future the tax burden shouldn't be more or less than the European average for these industries. If the tax burden is more, then let's reduce it. If it's less, then let's add to it. "This is the political conviction of the Fidesz parliamentary group, not the government's position."

On energy: "We want to establish a competitive state player in the energy sector. I see great potential in MVM in building it up on the national and regional level."

"There are areas where the state needs to have strong positions. Mol and MVM can be the breakout points. "The opportunities determine whether we reach these strong positions through acquisitions or through agreements, but certainly we have to act as market players. "The energy sector is an area where the Hungarian state can definitely be competitive. Mol and MVM are opportunities for us in central Europe. We have a competitive edge in the region and we shouldn't miss out. There's a lot of money to be made here, a lot of money."

On the planned central bank law:

"We want to finish the new central bank law by November at the latest."

"The law will strengthen the central bank's independence, against the expectation that it will weaken it. In fact, we want to give the central bank more power. In cases where the central bank, as an independent institution, sees risks, it should have the tools not only to form an opinion but also to act, possibly to regulate, for example in the case of risks relating to foreign-currency lending.

"The ouster of the central bank president is not on the agenda."

<http://www.bloomberg.com/news/2011-07-15/hungary-s-lazar-says-government-to-keep-some-form-of-special-tax.html>

### **Far right Jobbik candidate wins mayoral election**

Oszkar Juhasz, of radical nationalist party Jobbik, on Sunday won an interim mayoral election in Gyongyospata, a village in northern Hungary where ethnic tensions have been high for months.

Juhasz ran against six independent candidates. Another candidate, Janos Farkas Jr, the head of the local Roma self government, dropped out of the race late Saturday.

Over 60 percent of the village's residents turned out for the vote which was called after Mayor Laszlo Tabi resigned in April.

Tabi said he left the post for health reasons, but did not deny that clashes between radical nationalists and the village's Roma community were a contributing factor when asked by MTI.

In March, activists of the For a Better Future Civil Guard Association staged patrols for weeks in Gyongyospata in protest against what they said was a rising crime rate.

The situation turned critical when the paramilitary organisation Vedero (Defence Force) organised a three-day training camp near the village's Roma neighbourhood late in April but the police intervened.

At the same time, some 267 Roma women and children were bussed out of the village in a move that some described as an "evacuation" but the organiser, Red Cross Hungary, said was a pre-arranged camping trip.

*Source: MTI*

### **Interior Ministry state secretary offers resignation over bribery charges**

György Eiselt offered his resignation last week after coming under suspicion of bribery in the so-called "Eclipse" case. Eiselt was the managing director of the National Transport Authority in 2009 when a luxury automobile was rented for him by a company which then went on to win a Ft 5 billion (€18.5 million) state contract. The transaction in turn led to charges of money laundering and tax fraud against executives of the firm. Interior Minister, Sándor Pintér is also involved in the case: the project manager of Eclipse was his daughter, but she was not questioned in the case.

### **Foreign media again critical with the Fidesz-government**

According to the German weekly newspaper *Welt am Sonntag* Orbán's government pressurizes critical press through layoffs in the Hungarian state media. The newspapers *Frankfurter Allgemeine Zeitung* and *Der Spiegel* dealt with the issue of the attack on journalists in lengthy articles. Both stated that, after handing over the rotating presidency, PM Viktor Orbán intensified action against journalists. The respected French liberal daily newspaper *Le Monde* criticized Orbán's government in an editorial article on the front page of its Sunday edition.

*Source:*

<http://www.welt.de/print/wams/politik/article13491123/Alles-Idioten-das-ist-Orbans-Attituede.html>

<http://www.welt.de/politik/ausland/article13490510/Wer-in-Ungarn-was-Falsches-sagt-der-fliegt.html>

<http://www.spiegel.de/international/europe/0,1518,774480,00.html>

[http://www.lemonde.fr/europe/article/2011/07/16/la-hongrie-un-etat-autoritaire-au-coeur-de-l-europe\\_1549539\\_3214.html](http://www.lemonde.fr/europe/article/2011/07/16/la-hongrie-un-etat-autoritaire-au-coeur-de-l-europe_1549539_3214.html)

### **Hungary's forint to be among the worst-performing EM currencies**

"The European crisis is at a critical point" in which either its leaders come "up with a shock and awe package or the situation deteriorates significantly," analysts at Citigroup wrote in a recent research note. If it gets evidence that the EU is not going forward in a more pro-active way, investors will start selling off most currencies, punishing the zloty, the forint, the rand and the real the most severely, they added. Hungary's forint, Poland's zloty, South Africa's rand and Brazil's real are the emerging-market currencies most vulnerable to credit crisis, like that sparked by Lehman Brothers

Holdings Inc.'s collapse three years ago, from the European Union's fiscal problems, according to Citigroup Inc.

Péter Karsai at Commerzbank treasury sales in Budapest said in his morning comment on Tuesday that "investor sentiment is not improving; there is no agreement or even schedule in sight to resolve the U.S. or the European debt problems. This way emerging market currencies are likely to depreciate in the near future, primarily against the USD, the CHF and the JPY." The HUF lost 4.5% against the dollar and 1.9% versus the euro this month (as of 14 July), leading declines of more than 20 emerging-market currencies, after Greece asked the EU for a second rescue package and concern deepened that Italy may also require a bailout. Against the dollar, the zloty has depreciated 3.8%, the Romanian leu 3.4%, the Czech koruna 3.2% and the rand 2.1%. The real has slid 0.8%.

Source: Portfolio.hu

### **EC launches legal action against Hungary over telecom rules**

The European Commission has announced on Tuesday that it has sent requests for information to twenty EU Member States, including Hungary, which have not yet notified measures to implement in full new EU telecoms rules into national law. The deadline set by the European Parliament and the EU's Council of Ministers for implementing the new rules was 25th May 2011. The requests for information take the form of letters of formal notice under EU infringement procedures. The new rules give businesses and consumers new rights regarding phones, mobile services and Internet access. These include the right for customers to switch telecoms operators in just one day without changing their phone number, the right to more clarity about the services customers are offered and better protection of personal data online. New oversight powers for the European Commission and regulatory powers for the Body of European Regulators for Electronic Communications (BEREC) will create more regulatory certainty and help telecoms operators to grow in a single, pan-European telecoms market, the EU executive said in a statement today. Swift and consistent implementation of these rules is a priority of the Digital Agenda for Europe. However, while legislative processes are ongoing in all EU Member States and a majority of them have informed the Commission of some implementation measures, only seven Member States (Denmark, Estonia, Finland, Ireland, Malta, Sweden and the UK) have notified the Commission that they have implemented the new rules in full. The twenty other Member States (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia and Spain) are due to reply to the 'letters of formal notice' within two months. If they fail to reply or if it is not satisfied with the answer, the Commission can send the Member States concerned a formal request to implement the legislation (in the form of a 'reasoned opinion' under EU infringement procedures), and ultimately refer them to the Court of Justice of the European Union.

Source: Portfolio.hu

### **Comments**

#### **We will not vote for fascists!**

The democratic opposition is slowly waking up to the fact that the only way to get rid of Fidesz is wide-ranging cooperation. The newly created electoral system surely must have had a sobering effect. There are a few questions though that must be answered. First and foremost it must be stated clearly that cooperation with any of the remaining democratic parties is welcome in order to restore our democratic institutions. This, by definition, precludes any kind of alliance with the fascist Jobbik, which is throwing abuse and insults at the Roma and Jewish population in every step of the way. I believe that it is utterly impossible to find any democrat of principle who would cast his or her vote for a party that labels a traitor or a villain anyone who is of leftist or liberal conviction. As far as the democratic opposition is concerned, one thing needs to be made clear: throwing out the present regime may not be reason enough to vote for the democratic opposition. We need to

understand that the electorate wants to vote for and not only against something. Therefore it is our duty to provide them with an alternative. Similarly, LMP (*Politics Can Be Different*) needs to consider whether it is wise to lash out at the socialists if a broad cooperation against an autocratic Fidesz is to be achieved. I believe, in this respect, they could do with a bit of soul-searching. What should concern us, Socialists, is the implementation of those wide-ranging, moral and political reforms that could be the first step towards a total renewal. Our credo is cooperation with the democratic opposition and an unrelenting fight against fascism. Because, come what may, no democrat will ever ask a fellow democrat to vote for Jobbik.

hozná.[www.facebook.hu/gyurcsany](http://www.facebook.hu/gyurcsany)

### **‘The Offer’**

The biggest obstacle to the feasibility of LMP’s (*Politics Can Be Different*) proposal is the difference in the three Hungarian opposition parties’ (Hungarian Socialist Party – MSZP, LMP and the far-right, radical Jobbik) electoral bases: anti-fascists were supposed to ally themselves with those that were defaming former PM Ferenc Gyurcsány using offensive rhetoric such as ‘Commy’ while regularly highlighting his Jewish origin in a blatant and hectoring manner... Thus, it is obvious to everyone that an alliance involving these parties’ voters would be rather burdensome if not outright impossible.

Furthermore, the question that remains for the majority of Jobbik voters is not whether Viktor Orbán’s current (second) government crossed all barriers, but – quite to the contrary – whether it did enough to deconstruct the alleged conspiratorial “Rózsadomb Pact [literally: Hill of the Roses]” and the “New York–Tel Aviv axis” in Hungarian politics, so the problem for Jobbik voters is that Orbán’s government is not radical enough regarding its take on the post-Communist world order.

In contrast, the fight against anti-Semitism as well as every other form of discrimination is a crucially important element of the Socialist voters’ identity. And what about LMP? “Lehet Más a Politika” – *Politics Can Be Different* (LMP) is a liberal protest party that – with a little exaggeration – even derived its own name from the struggle that it sought to launch against the so-called “Gyurcsányism”; given that their primary intention was to communicate to voters that politics can really be different from what they were during the previous eight years of Socialist tenure.

It is unnecessary to mention here the overwrought opinionators who are present in all of the above-mentioned parties, the snappers and party politicians, and also the various publicists and “bloggers”. Or the way the media apparatus of Fidesz would confront the typical Jobbik voter with his or her own anti-Communism, the typical Socialist voter with his or her own anti-fascism and how it would ultimately place Fidesz into a position of “aurea mediocritas” as the desirable and rational middle between ‘the two extremes’...

It is beyond doubt that nowadays these differences cannot be managed, as the first reactions to the proposal have also demonstrated it. The identity and the core values professed by Jobbik and those of MSZP are so far from each other that not even a temporary co-operation is thinkable between these two parties. Both Attila Mesterházy and Ferenc Gyurcsány made it clear in short order that such a move was absolutely impossible.

It may well be that the alliance proposed by LMP is unfeasible in this form, but the idea of allying to remove the current regime seems to be a reasonable direction to take. Because today it really seems that Orbán’s government cannot be removed from power without some allies from the right end of the political spectrum. If oppositional politicians understand only this, then the offer made by LMP was not a completely futile attempt.

*András Keszthelyi, Vasárnapi Hírek, June 17. 2011.*

### **Voodoo against Orbán?**

Democrats are not making friends, not even in the interest of removing Orbán from government, with anti-Semites, racists, nationalistic guard members, those who want to jail political opponents, or those who call the director of the National Theater a faggot. Orbán is not worth that much. He

will fail without that anyway.

So even if I look at the LMP proposal as a sign of goodwill, initiated by Gergely Karácsony, I can also see it as a consequence of the infighting within LMP. It is because, up until now, András Schiffer has refused all cooperation with MSZP, more particularly with Ferenc Gyurcsány. But even Schiffer, the person who made the police report about the Sukoró case may think differently now. As I noted before the list of people who have changed their minds is long. For instance MSZP supporters would not have thought that Katalin Szili – their long time favorite – would end up in Fidesz. I note that the opposition coalition – although one without the far right Jobbik – was already mentioned in Gyurcsány's blog, hence there are similarities between the blog and the proposal of Gergely Karácsony, and this is most certainly a step forward against LMP's official standpoint to date.

*Zsolt Gréczy, [http://greczy.blog.hu/2011/07/17/orban\\_ellen\\_sarkanyfu](http://greczy.blog.hu/2011/07/17/orban_ellen_sarkanyfu), June 17. 2011.*

### **Hungary's choices one year on: in the land of 'Revolutionary Voting Booths'**

The EU has to deal with a government that came to power democratically and uses its power to dismantle the democratic institutional system. Fidesz' 'solutions' are desperately wrong. But the problems are real. Europe can only offer attractive alternatives to its peoples, if it finds viable solutions to these problems. What happens in Hungary is not the internal affair of 10 million Hungarians. It is a litmus test for Europe's capacity to defend its basic democratic values – writes Yudit Kiss, a Hungarian economist, based in Geneva, and author of several academic publications dealing with the post-Cold War economic transformations of Central Europe

*Yudit Kiss, <http://www.opendemocracy.net/yudit-kiss/hungary%E2%80%99s-choices-one-year-on-in-land-of-%E2%80%98revolutionary-voting-booths%E2%80%99>, 10 July 2011*